

 Department of Law

BEST AVAILABLE COPY

Department of Law

January 21, 2000

THE FIGHT AGAINST SLAMMING & CRAMMING

By
Attorney General Ken Salazar

Telephone slamming and cramming problems continue to be a major concern to consumers. They are among the top areas of consumer complaints received by the Colorado Attorney General's Office and by other consumer protection agencies around the country. Thousands of slamming and cramming complaints are documented each year, and experts believe the number of filed complaints reflect only a fraction of the actual number of slamming and cramming incidents. These unlawful sales practices cause countless millions of dollars in financial injury to the public. Consumers incur excessive charges for long distance calls from the unauthorized carriers, often unwittingly pay for telephone services they never ordered. Slamming and cramming practices also injure legitimate businesses by stealing customers, even if only temporarily, and by burdening the entire telecommunications market with the additional costs of unwinding slammed and crammed transactions.

Slamming occurs when a company switches a customer's telephone carrier without the customer's knowledge or authority. A variety of deceptive tactics are used to slam customers. These include misusing a customer's agreement to participate in a promotional offer, such as a contest or charitable contribution, as the consumer's consent to switch them to another carrier. Other slams are the result of out-right frauds such as falsified or forged change orders.

Cramming is the practice of causing unauthorized charges to be placed on a consumer's telephone bill. Cramming occurs when consumers are charged for optional phone services or non-telephonic goods and services without their agreement or knowledge. These unauthorized charges for services such as voice mail, paging services, or 1-900 calls are often assessed by independent marketing companies and are billed to consumers through the local telephone company monthly bill.

A variety of responses to slamming and cramming problems have been pursued the past few years. These include federal and state regulatory efforts to provide procedures to verify telephone service change orders, and monetary penalties to discourage unauthorized telephone services. State Attorneys General and the Federal Communication Commission have taken dozens of enforcement actions under consumer protection laws to stop slamming and to recover monies taken unlawfully from consumers. Additionally, extensive efforts also have been undertaken to educate the public about slamming and cramming problems.

Recognizing the full scope of the problems, I worked with representatives from the major telecommunications companies the past few months to address slamming and cramming problems. On November 30, 1999, my office and the participating telecommunications companies agreed upon an industry Code of Conduct to provide their best, policies and practices to reduce the slamming and cramming of telephone services in Colorado. By endorsing the Code of Conduct, the participating companies, AT&T Communications, ICG Communications, Inc., MCI WorldCom, Mcleod USA, NEXTLINK, Colorado, LLC, Qwest Communications Corp., Sprint and US West Communications, Inc,

agreed to:

BEST AVAILABLE COPY

- Adopt zero tolerance policies to stop slamming and cramming.
- Immediately resolve consumer complaints and to take appropriate disciplinary action against those who slam and cram Colorado Consumers.
- Cooperate with the Attorney General's Office by providing information about patterns of slamming and cramming.
- Comply with existing laws and regulations governing slamming and cramming.

I am confident about the soon-to-be-realized benefits of these efforts. These benefits should include prompt investigations and resolutions to consumer slamming and cramming complaints, and the identification of those reseller and contractors responsible for the genuinely fraudulent marketing tactics. This will allow the limited resources of consumer protection agencies to be directed toward law enforcement actions against the truly bad actors engaging in widespread slamming and cramming and other consumer frauds victimizing the public.

In the meantime, consumers, who believe they have been slammed or crammed, should contact their preferred long distance carrier or their local telephone carrier, respectively, to attempt to resolve the problem. Consumers, who believe they have been switched without their consent or who notice charges on their telephone bills for unordered services, can contact the Attorney General's Office by phone at 303-866-5189 or 1-800-332-3071. Consumers may also file a written complaint at the Consumer Protection Section, 1525 Sherman Street, 7th Floor, Denver, CO 80203, or at the Colorado Public Utilities Commission, 1580 Logan Street, OL2, Denver, CO 80203. Internet users can contact the Attorney General's Office at stop.fraud@state.co.us



[[Home](#) | [Department Home](#) | [Top](#)]

Comments to attorney.general@state.co.us
